



شركة الأراضي المقدسة للتأمين المساهمة العامة المحدودة

HOLY LAND INSURANCE CO. Ltd. H.L.I.C

للاطلاع

مورس عيسى

السيد صبح
السيد صبح

٢٠١٨

٢٠١٨/٧/٣١

٢٠١٨/٨٥١/٥٩

السادة / هيئة الاوراق المالية المحترمين

عمان - الأردن

الموضوع : البيانات المالية للشركة للنصف الاول / ٢٠١٨

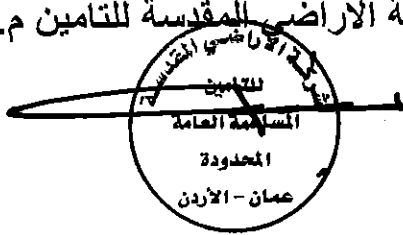
تحية وبعد ،

نرفق لكم طيه البيانات المالية المرحلية الموحدة كما في ٢٠١٨/٦/٣٠ باللغتين العربية والانجليزية مرفقة بتقرير مدقق الحسابات الخارجي عليها .

راجين التكرم بالاستلام حسب الأصول.

وتفضلوا بقبول فائق الاحترام والتقدير.

شركة الاراضي المقدسة للتأمين م.ع.م



هيئة الأوراق المالية
الدائرة الادارية / الديوان

٣١ سبتمبر ٢٠١٨

الرقم التسلسل
الجهة المختصة
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**The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan**

**Consolidated condensed interim
financial statements**

**As of June 30, 2018
(Reviewed not audited)**

**The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan**

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Report on the review of the condensed interim consolidated financial statements

785 18 03

To the Board of Directors of
The Holy Lands Insurance Co. (P.S.C)
Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying condensed interim Consolidated financial statements of **The Holy Lands Insurance Co. (P.S.C)** which comprising of condensed interim Consolidated statement of financial position as at 30 June 2018, and the related condensed interim Consolidated statements of comprehensive income, changes in equity and cash flows for six-months period ended 30 June 2018 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with *IAS 34 – Condensed interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of Condensed interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects in accordance with IAS 34.

Other matters:

- Insurance management requested on 15 July 2018 from Insurance companies to provide it with the financial statements as at 30 June 2018 after the effect of IFRS 9 on an optional basis in the period that specified to provide the insurance management with interim financial statements or to provide them the interim financial statements as at 30 June 2018 in accordance with the decision No. 4 of 2011 (special decision on the forms required for the preparation of financial statements), to be provided to the interim financial statements as at 30 June 2018 after the impact of IFRS 9, maximum at 30 August 2018.
- Condensed interim consolidated financial statements were prepared for purpose of the Securities Commission and the Insurance Department.

Al Abbasi & Partners Co.



Nabeel Moh'd Obeidat

License No. 877



Amman in

July 29, 2018

The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

Statement of consolidated condensed interim financial position
as of June 30, 2018

Reviewed not audited - Exhibit A

	Note	30-Jun-2018 JD (Reviewed)	31-Dec-2017 JD (Audited)
<u>Assets</u>			
Deposits at banks	7	3,110,567	3,077,507
Financial assets at fair value through income statement	8	509,428	508,324
Financial assets at fair value through other comprehensive income	9	60,000	60,000
Realestate investments		176,725	176,725
Total investments		3,856,720	3,822,556
 Cash on hand & at banks		 188,337	 132,182
Notes receivable & cheques under collection - net		135,360	91,091
Accounts receivable - net	10	617,882	710,457
Due from reinsurers - net	11	554,864	674,845
Deferred tax assets	12	1,674,443	1,674,443
Property, plant & equipments - net		2,106,828	2,081,933
Intangible assets - Net		21,261	26,156
Other assets		153,674	205,875
Total assets		9,309,369	9,419,538

The accompanying notes form from (1) To (23) is an integral part of these statements

**The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan**

**Follow-statement of consolidated condensed interim financial position
as of June 30, 2018**

Reviewed not audited - Exhibit A

	Note	30-Jun-2018	31-Dec-2017
		JD (Reviewed)	JD (Audited)
<u>Liabilities and owners' equity</u>			
<u>Liabilities</u>			
Unearned premium provision - net		4,030,752	4,237,830
Outstanding claims provision - net		1,148,592	1,533,972
Total technical provisions		<u>5,179,344</u>	<u>5,771,802</u>
<u>Liabilities</u>			
Bank overdrafts		390,340	216,634
Accounts payable	13	158,588	214,583
Due to reinsurers	14	835,070	609,043
Variety provisions		46,983	46,983
Other liabilities		182,547	352,106
Total liabilities		<u>1,613,528</u>	<u>1,439,349</u>
Total technical provisions & liabilities		<u>6,792,872</u>	<u>7,211,151</u>
 <u>Owners' equity</u>			
Authorized & paid up capital	1	5,000,000	5,000,000
Issuance discount		(2,061,779)	(2,061,779)
Statutory reserve	15	1,503	745,254
Voluntary reserve	15	-	22,561
Fair value reserve	15	(150,000)	(150,000)
Accumulated (loss)	15	(581,337)	(1,347,649)
Profit for the period		308,110	-
Net owners' equity		<u>2,516,497</u>	<u>2,208,387</u>
Total owners' equity & liabilities		<u>9,309,369</u>	<u>9,419,538</u>

The accompanying notes form from (1) To (23) is an integral part of these statements

The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan
Condensed interim consolidated statement of comprehensive income
For the six months ended June 30, 2018

Reviewed not audited - Exhibit B

		For the six months ended		For the three months ended	
	Note	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017
		JD	JD	JD	JD
<u>Revenues</u>					
Total written premiums		5,539,149	5,549,054	2,818,698	2,567,368
Deduct: reinsurance share		(106,540)	(139,502)	(44,367)	(48,112)
Net written premiums		5,432,609	5,409,552	2,774,331	2,519,256
Net change in unearned premium provision		207,078	(660,724)	(114,865)	(273,850)
Net earned premium income		5,639,687	4,748,828	2,659,466	2,245,406
Commissions received		26,799	28,807	11,334	11,521
Issuance fees		258,038	198,015	120,691	100,289
Interests revenues		56,816	38,364	27,565	26,595
Gains from financial assets & investments	16	441	42,592	5,169	5,520
Other revenues due to written accounts		43,831	54,893	26,059	26,935
Other revenues		27,391	15,994	8,269	3,855
Total revenues		6,053,003	5,127,493	2,858,553	2,420,121
<u>Cost of claims</u>					
Claims paid		5,071,967	4,718,087	2,686,136	2,424,046
Deduct: recoveries		(418,995)	(479,579)	(174,561)	(262,157)
Deduct: reinsurance share		(70,131)	(152,784)	(38,755)	(113,261)
Net claims paid		4,582,841	4,085,724	2,472,820	2,048,628
Net change in outstanding claims provision		(385,380)	(382,788)	(443,251)	(146,523)
Allocated employees expenses		488,350	514,287	274,240	282,778
Allocated administrative expenses		294,695	268,275	149,971	103,413
Excess of loss		65,000	65,000	-	-
Acquisition policies cost		425,783	227,411	222,978	105,881
Other expenses due to written accounts		23,740	15,926	12,486	9,863
Net claims		5,495,029	4,793,835	2,689,244	2,404,040

The accompanying notes form from (1) To (23) is an integral part of these statements

**The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan**

**Follow - condensed interim consolidated statement of comprehensive income
For the six months ended June 30, 2018**

		Reviewed not audited - Exhibit B			
		For the six months ended		For the three months ended	
	Note	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017
		JD	JD	JD	JD
Net claims		<u>5,495,029</u>	<u>4,793,835</u>	<u>2,689,244</u>	<u>2,404,040</u>
Employees expenses - not allocated		122,088	128,571	68,480	70,693
Administrative expenses - not allocated		54,103	57,762	27,541	35,125
Depreciation & amortization		<u>73,673</u>	<u>67,069</u>	<u>37,572</u>	<u>25,854</u>
Total expenses		<u>5,744,893</u>	<u>5,047,237</u>	<u>2,822,837</u>	<u>2,535,712</u>
Profit for the period before tax		308,110	80,256	35,716	(115,591)
Tax	12	-	-	-	-
Profit for the period		<u>308,110</u>	<u>80,256</u>	<u>35,716</u>	<u>(115,591)</u>
Total comprehensive income for the period (Exhibit C)		<u>308,110</u>	<u>80,256</u>	<u>35,716</u>	<u>(115,591)</u>
		<u>Fils/Dinar</u>	<u>Fils/Dinar</u>	<u>Fils/Dinar</u>	<u>Fils/Dinar</u>
Basic and diluted earning per share	17	<u>0.062</u>	<u>0.016</u>	<u>0.007</u>	<u>(0.023)</u>

The accompanying notes form from (1) To (23) is an integral part of these statements

The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

Statement of consolidated condensed interim of change in owners' equity
for the six months ended June 30, 2018

Reviewed not audited - Exhibit C

Description	Capital JD	Issuance discount JD	Statutory reserve JD	Voluntary reserve JD	Fair value reserve JD	Accumulated (loss) JD	Profit for the period JD	Net JD
For the six months ended June 30, 2018								
Balance as of January 1, 2018 (Exhibit A) - Audited	5,000,000	(2,061,779)	745,254	22,561	(150,000)	(1,347,649)	-	2,208,387
Profit for the period after tax	-	-	-	-	-	-	308,110	308,110
Total comprehensive income for the period (Exhibit B)	-	-	-	-	-	-	308,110	308,110
Amortization reserves in accumulated loss (Note 15)	-	-	(743,751)	(22,561)	-	766,312	-	-
Balance as of June 30, 2018 (Exhibit A) - Reviewed	5,000,000	(2,061,779)	1,503	-	(150,000)	(581,337)	308,110	2,516,497
For the six months ended June 30, 2017								
Balance as of January 1, 2017 - Audited	10,000,000	(2,061,779)	745,254	22,561	(150,000)	(6,177,956)	-	2,378,080
Prior years' expenses	-	-	-	-	-	(5,953)	-	(5,953)
Adjusted opening balances	10,000,000	(2,061,779)	745,254	22,561	(150,000)	(6,183,909)	-	2,372,127
Profit for the period after tax	-	-	-	-	-	-	80,256	80,256
Total comprehensive income for the period (Exhibit B)	-	-	-	-	-	-	80,256	80,256
Reducing capital	(5,000,000)	-	-	-	-	5,000,000	-	-
Balance as of June 30, 2017 - Reviewed	5,000,000	(2,061,779)	745,254	22,561	(150,000)	(1,183,909)	80,256	2,452,383

In accordance with the instructions of Securities Commission, it is prohibited to dispose fair value reserve through dividends to shareholders or capitalization or loss amortization or anything else .

The accompanying notes form from (1) To (23) is an integral part of these statements

The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan
Statement of consolidated condensed interim of cash flows
for the six months ended June 30, 2018

Reviewed not audited - Exhibit D

	Note	30-Jun-2018	30-Jun-2017
		JD	JD
<u>Cash flows from operating activities</u>			
Profit for the period before tax		308,110	80,256
Prior years' expenses		-	(5,953)
Capital (gains) loss		(604)	6,389
Depreciation & amortization		54,103	57,762
Net change in unearned premium provision		(207,078)	660,724
Net change in outstanding claims provision		(385,380)	(382,788)
Unrealized (gains) of financial assets at fair value through income statement		(441)	(42,592)
Operating (loss) income before changes in working capital		(231,290)	373,798
<u>Changes in assets & liabilities</u>			
Notes receivable & cheques under collection		(44,269)	(12,021)
Accounts receivable		92,575	(131,944)
Due from related parties		-	(1,153)
Due from reinsurers		119,981	(128,158)
Other assets		52,201	39,181
Accounts payable		(55,995)	(67,919)
Due to reinsurers		226,027	309,093
Other liabilities		(169,559)	(210,174)
Net cash flows (used in) provided from operating activities		(10,329)	170,703

The accompanying notes form from (1) To (23) is an integral part of these statements

**The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan**

**Follow-statement of consolidated condensed interim of cash flows
for the six months ended June 30, 2018**

Reviewed not audited - Exhibit D

	30-Jun-2018	30-Jun-2017
	JD	JD
<u>Cash flows from investing activities</u>		
Deposits at banks due over 3 months	(33,060)	(871,916)
Acquisitions of property , plant & equipments	(78,218)	(152,298)
Proceeds from sales of property , plant & equipments	5,500	15,000
Acquisitions of intangible assets	(780)	(19,013)
Acquisitions of financial assets at fair value through income statement	(664)	-
Net cash flows (used In) investing activities	(107,222)	(1,028,227)
<u>Cash flows from financing activities</u>		
Bank Overdrafts	173,706	(11,613)
Net cash flows provided from (used in) financing activities	173,706	(11,613)
Net (dicrease) in cash	56,155	(869,137)
Cash on hand and at banks at beginning of period	132,182	980,489
Cash on hand and at banks at end of period (Exhibit A)	188,337	111,352
 <u>Non-Cash flows items</u>		
Amortization reserves in accumulated loss	-	-
Amortization some of accumulated loss to capital	-	5,000,000

The accompanying notes form from (1) To (23) is an integral part of these statements

Holy Lands Insurance Company
P.S.C
Amman - The Hashemite Kingdom Of Jordan

Statement of consolidated condensed interim of general insurance underwriting revenue
for the six months ended June 30, 2018

	Reviewed not audited - Exhibit E									
	Motor					Fire & other damage to property				
	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017
Written premiums	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct insurance	5,340,771	5,310,381	2,716	2,235	114,126	150,581	12,026	15,097	5,469,639	5,478,294
Reinsurance inward business	67,139	67,078	-	-	2,371	3,682	-	-	69,510	70,760
Total premiums	5,407,910	5,377,459	2,716	2,235	116,497	154,263	12,026	15,097	5,539,149	5,549,054
Less:										
Local reinsurer share	(12,543)	(14,533)	-	-	-	-	-	-	(12,543)	(14,533)
Foreign reinsurer share	-	-	(1,841)	(1,438)	(92,156)	(123,531)	-	-	(93,997)	(124,969)
Net written premiums	5,395,367	5,362,926	875	797	24,341	30,732	12,026	15,097	5,432,609	5,409,552
Add : Balance at beginning of the year										
Unearned premiums reserve	4,209,072	3,345,032	3,538	2,905	149,407	173,459	20,951	20,524	4,382,968	3,541,920
Un expired risks reserve	-	-	-	-	-	-	-	-	-	-
Less: Reinsurer share	(15,896)	(14,860)	(2,660)	(2,260)	(126,582)	(149,856)	-	-	(145,138)	(166,976)
Net unearned premium reserve	4,193,176	3,330,172	878	645	22,825	23,603	20,951	20,524	4,237,830	3,374,944
Less : Balance at ending of the year										
Unearned premiums reserve	4,008,481	4,003,836	626	945	111,265	130,563	15,503	14,236	4,135,875	4,149,580
Un expired risks reserve	-	-	-	-	-	-	-	-	-	-
Less: Reinsurer share	(13,151)	(13,080)	(385)	(582)	(91,587)	(100,250)	-	-	(105,123)	(113,912)
Net unearned premium reserve	3,995,330	3,990,756	241	363	19,678	30,313	15,503	14,236	4,030,752	4,035,668
Net earned revenue from written premiums	5,593,213	4,702,342	1,512	1,079	27,488	24,022	17,474	21,385	5,639,687	4,748,828

The accompanying notes form from (1) To (23) is an integral part of these statements

Holy Lands Insurance Company P.S.C

Amman - The Hashemite Kingdom Of Jordan

Statement of consolidated condensed interim of general insurance cost of claims for the six months ended June 30, 2018

		Reviewed not audited - Exhibit F					
		Fire & other damage					
		Motor		Marine & transport		Liability	
		30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017
		JD	JD	JD	JD	JD	JD
Paid claims		5,019,474	4,671,390	-	52,493	-	-
Less:							
Recoveries		(418,995)	(479,579)	-	-	-	-
Local reinsurer share		-	-	-	-	-	-
Foreign reinsurer share		(51,241)	(109,166)	-	(18,890)	-	-
Net paid claims		4,549,238	4,082,645	-	33,603	-	-
Add: Outstanding claims reserve at end of the year							
RCR		1,553,442	1,912,162	-	1,758,912	20,880	33,683
IBNER		1,032,239	518,109	-	-	-	-
IBNYR		1,433,424	1,409,846	100	5,000	100	100
Less:							
Reinsurer share		(782,342)	(789,130)	-	(867)	-	-
Recoveries		(2,237,008)	(1,995,114)	-	-	-	-
Net reported outstanding claims		(160,245)	(104,127)	-	133	20,880	33,683
Net unreported outstanding claims reserve at end of the year		1,160,000	1,160,000	100	5,000	100	100
Less: Outstanding Claims Reserve At Beginning Of The Year							
RCR		2,095,536	2,440,026	-	1,000	24,230	33,564
IBNER		1,032,239	518,109	-	-	-	-
IBNYR		1,433,424	1,409,846	100	5,000	100	100
Less:							
Reinsurer share		(791,703)	(875,594)	-	(834)	-	-
Recoveries		(2,340,216)	(2,069,431)	-	-	-	-
Net reported outstanding claims reserve at beginning of the year		245,702	262,956	-	166	24,230	33,564
Net Unreported Outstanding Claims Reserve At Beginning Of The Year		1,183,578	1,160,000	100	5,000	100	100
Net claims cost		4,119,713	3,715,562	-	(33)	(3,350)	119
The accompanying notes form from (1) To (23) is an integral part of these statements							

**Holy Lands Insurance Company
P.S.C**

Amman - The Hashemite Kingdom Of Jordan

Statement of consolidated condensed interim of general insurance underwriting profit

for the six months ended June 30, 2018

Reviewed not audited - Exhibit G

	Fire & other damage to						Reviewed not audited - Exhibit G			
	Motor		Marine & transport		property		Liability		Total	
	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net earned revenue from written premiums	5,593,213	4,702,342	1,512	1,079	27,488	24,022	17,474	21,385	5,639,687	4,748,828
Net claims cost	4,119,713	3,715,562	-	(33)	81,098	(12,712)	(3,350)	119	4,197,461	3,702,936
Add:										
Commissions received	-	13	655	519	26,144	28,275	-	-	26,799	28,807
Insurance policies issuance fees	251,662	190,789	168	128	5,600	6,292	608	806	258,038	198,015
Other revenues	43,323	53,900	-	-	508	993	-	-	43,831	54,893
Net revenues	294,985	244,702	823	647	32,252	35,560	608	806	328,668	281,715
Less:										
Commissions paid	(423,848)	(224,761)	-	-	(1,935)	(2,650)	-	-	(425,783)	(227,411)
Excess of loss premiums	(65,000)	(65,000)	-	-	-	-	-	-	(65,000)	(65,000)
Allocated general & administrative expenses	(764,492)	(758,363)	(384)	(315)	(16,468)	(21,755)	(1,701)	(2,129)	(783,045)	(782,562)
Other allocated expenses	(18,518)	(14,823)	(9)	(14)	(5,213)	(1,089)	-	-	(23,740)	(15,926)
Total expenses	(1,271,858)	(1,062,947)	(371)	(329)	(22,689)	(25,494)	(1,605)	(2,129)	(1,297,568)	(1,090,899)
Underwriting profit (loss)	496,627	168,535	1,964	1,430	(44,047)	46,800	19,827	19,943	473,326	236,708

The accompanying notes form from (1) To (23) is an integral part of these statements

The Holy Lands Insurance Company
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

Notes to consolidated condensed interim financial statements - reviewed not audited

1- Company's registration and objectives

The **Holy Lands Insurance Company** was established & registered as a public shareholding company in the Ministry of Industry & Trade under number (136) on the year 1980 .

The company exercised all kinds of general insurances according to license which obtained from Insurance Authority for these insurance branches :

- Motor insurance license
- Marine & transport insurance license
- Fire & other damage to property insurance license
- Liability insurance license

General assembly in its extraordinary meeting held on **June 30, 2015** decided to increase capital from JD/Share 6,000,000 to JD/Share 8,000,000 , by increasing amount of JD/Share 2,000,000 and by issuance discount JD/Share 0.35 through private written to the shareholders , by a plan declared by board of directors to correct company's financial status in accordance with regulations and laws for the benefit of the company , legal procedures were completed on **August 2, 2015**. Securities commission approved to register increased shares on **October 6, 2015** , and some of the shares were recovered (607,729 shares.

The board of directors decided to recover the unrecovered increased shares amounted of 1,392,271 shares by customize it to the chairman and deputy of chairman of board of directors , legal & official procedures were completed on **February 8, 2016** .

General assembly in its extraordinary meeting held on **September 22, 2016** decided to increase capital from JD/Share 8,000,000 to JD/Share 10,000,000 , by increasing amount of JD/Share 2,000,000 and by issuance discount JD/Share 0.35 through owning land no. 200 basin no. 20 South Om Othaina of Amman lands , its space of 1,009 square meters , this land owned by deputy chairman of board of directors and its evaluated by five realstate evaluators delegated for Ministry of Industry & Trade by average market value of JD 1,836,380 , the rest amount of JD 163,620 was recovered through private written of shareholders , legal procedures were completed on **October 30, 2016**. Securities commission approved to register increased shares on **November 23, 2016**, and in depository center on **November 28, 2016** .

General assembly in its extraordinary meeting held on **December 22, 2016** decided to reduce capital from JD/Share 10,000,000 to JD/Share 5,000,000 , by amortizing amount of JD/Share 5,000,000 from accumulated loss to capital , legal procedures were completed to competent authorities on **April 13, 2017**.

The consolidated condensed interim financial statements were approved by the board of directors at its meeting held on **July 29, 2018** , these financial statements aren't subject to the approval of the general assembly of shareholders .

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Notes to consolidated condensed interim financial statements - reviewed not audited

2- Significant accounting policies

Basis of preparation of consolidated condensed interim consolidated financial statements

These consolidated condensed interim financial statements have been prepared in accordance with international accounting standards ((IFRS) IAS 34))(Interim Financial Reporting).

The consolidated condensed interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

The consolidated condensed interim financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

These consolidated condensed interim financial statements do not include all the information required for a complete set of IFRS financial statements, However , selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31, 2017**, in addition, The results for the six months period ended **June 30, 2018** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2018**.

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Notes to consolidated condensed interim financial statements - reviewed not audited

3- Basis of consolidation of the financial statements

- The consolidated condensed interim financial statements consist of assets , liabilities , revenues & expenses of The Holy Lands Insurance Company and 3 subsidiaries as follows :

Company's name	Date of control	Legal form	Activity	Capital	Ownership rate	Company's share of		Investment's net book value
						subidiaries' profit (loss)	JD	
The Dead Sea Co. For Vehicle Surveying & Paint	9-Sep-2014	L.L.C	Services	30,000	100	34,327	JD	15,000
Reyaza Realestate Investments Co.	30-Nov-2014	L.L.C	Real-estates	10,000	100	(480)	JD	5,000
The Dead Sea Co. For Vehicles' Parts Trading	8-Nov-2017	L.L.C	Trading	30,000	100	(886)	JD	15,000

- Summary for subsidiary's assets & liabilities & revenues & profits :

Company's name	Assets	Liabilities	Revenues	Profit (loss) for the period
	JD	JD	JD	JD
The Dead Sea Co. For Vehicle Surveying & Paint	210,926	250,432	109,500	34,327
Reyaza Realestate Investments Co.	158,279	168,346	-	(480)
The Dead Sea Co. For Vehicles' Parts Trading	14,972	3,985	-	(886)

Control realized when company has ability of control the financial and operation policies for subsidiaries for obtained benifets from its activities .

Subsidiaries' income results is being consolidated in statement of consolidated income from date of control up to stop that control on subsidiaries when the actual control on subsidiaries move to company or from company .

The financial statements for the mother company and subsidiaries are prepared for the period of the same accounting policies which used in the mother company (The Holy Lands Insurance Company) , if subsidiary used differnet policies some adjusting must made on its financial statements to be applicable to the policies used in the mother company .

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Notes to consolidated condensed interim financial statements - reviewed not audited

4- Changes in accounting policies

Accounting policies followed in consolidated condensed interim financial statements' preparation for this period are consistent with the policies followed the last year, except the company's application of the following standards :

- * IFRS 15 "Revenue from Contracts with Customers"
- * IFRS 9 "Financial Instruments"
- * Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions".
- * Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts".
- * Amendments to IAS 40 "Transfers of Investment Property"
- * Annual improvements to IFRS 2014-2016 Cycle "Amendments to IFRS 1 and IAS 28".
- * IFRIC 22 Foreign Currency Transactions and Advances consideration.

The adoption of the above new and amended IFRS and improvements to IFRS had no significant impact on the condensed consolidated interim financial statements.

IFRS 9 "Financial Instruments"

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments : classification and measurement; impairment; and hedge accounting.

The Company had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and , in line with IFRS 9, comparative amounts have not been restated.

According to the circular issued by the Insurance Department 2018/33/2133 dated 15 July 2018, the insurance companies were requested to provide them with the financial statements as of 30 June 2018 after the effect of criterion No. 9 was automatically reversed in the period specified for providing them with lists or providing them with lists As of June 30, 2018, following the reversal of the impact of Standard No. (9) in a maximum period of no more than (30) years. 30 August 2018.

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Notes to consolidated condensed interim financial statements - reviewed not audited

5- Bussiness sector

Bussiness sector represents a collection of assets and operations which are sharing together for serving produces or services subject to risk and benefits different from those related of other sectors and it measured according to reports used by excutive manager and decision maker of the company .

Geografic sector associated by nserving produces and services in limited economical environment subject to risks and benefits differnt from those related of bussiness sectors in economical environments .

6- Use of estimates

The preparation of the interim condensed consolidated financial statements and the application of accounting policies requires management to make estimates and judgments that affect the amounts of financial assets and liabilities and disclose potential liabilities. These estimates and judgments also affect the income, expenses and provisions as well as changes in fair value that arise in equity. Requires management to issue significant judgments and judgments to estimate the amounts and timing of future cash flows.

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Notes to consolidated condensed interim financial statements - reviewed not audited

7- Deposits at banks

A. This item consists of :

	<u>30-Jun-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Jordan Trade Bank - JD	7,017	7,017
Cairo Amman Bank - JD	531,610	519,242
Union Bank for Saving & Investment - JD	202,500	202,500
Arab Bank - JD & \$	719,315	719,224
Arab Jordanian Investment Bank - \$	5,297	5,296
Housing Bank for Trade & Finance - JD	15,972	15,962
Jordan Dubai Islamic Bank - JD	11,306	11,306
Oudih Bank - JD	500,000	500,000
Capital Bank - JD	1,117,550	1,096,960
Total	<u><u>3,110,567</u></u>	<u><u>3,077,507</u></u>

B. Interest rate on JD deposit at banks ranging between 3.25% to 5.25% and of USD deposits between 0.05% to 2.5% , it accrued quarterly, midterm and yearly .

There are mortgage on bank facilities which given to company from Audih Bank amounted of JD 500,000 and from Capital Bank amounted of JD 527,288.

C. The mortgaged deposited upon request for general manager of Insurance Authority in addition to his job amounted of JD 225,000 as of June 30, 2018 , its details as follows :

	<u>30-Jun-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Bank Al Etihad - JD	202,500	202,500
Housing Bank For Trade & Finanace - JD	11,250	11,250
Jordan Dubai Islamic Bank - JD	11,250	11,250
Total	<u><u>225,000</u></u>	<u><u>225,000</u></u>

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Notes to consolidated condensed interim financial statements - reviewed not audited

8- Financial assets at fair value through income statement

A. This item consists of :

	<u>30-Jun-2018</u>	<u>31-Dec-2017</u>
	JD	JD
<u>National</u>	(Reviewed)	(Audited)
Stocks in Amman stock Exchange (listed)	352,122	351,018
Stocks in Amman stock Exchange (unlisted)	2,621	2,621
<u>International</u>		
Stocks in international stock Exchange (unlisted)	154,685	154,685
Total	<u><u>509,428</u></u>	<u><u>508,324</u></u>

B. Financial assets are stated at cost according to couldn't measure its fair value as trustly .

9- Financial assets at fair value through other comprehensive income

A. This item consists of :

	<u>30-Jun-2018</u>	<u>31-Dec-2017</u>
	JD	JD
<u>National</u>	(Reviewed)	(Audited)
Stocks in Amman stock Exchange (unlisted)	60,000	60,000
Total	<u><u>60,000</u></u>	<u><u>60,000</u></u>

B. Financial assets are stated at cost according to couldn't measure its fair value as trustly .

10- Accounts receivable - net

A. This item consists of :

	<u>30-Jun-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Policies campaign receivable	673,058	714,807
Agents receivable	593,050	637,137
Returned cheques	81,626	81,626
Issues and under settelmet receivable	117,494	117,983
Garages receivable	144,542	151,753
Employees receivable	63,362	62,401
Total	<u><u>1,673,132</u></u>	<u><u>1,765,707</u></u>
Deduct : Provision for receivable debts impairment (Note 10 B)	<u><u>(1,055,250)</u></u>	<u><u>(1,055,250)</u></u>
Net	<u><u>617,882</u></u>	<u><u>710,457</u></u>

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Notes to consolidated condensed interim financial statements - reviewed not audited

10- Follow - Accounts receivable - net

B. Transaction of provision for receivable debts impairment during the period represents of :

	30-Jun-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	1,055,250	1,152,108
Disposals for the period/year (returned to income statement)	-	(96,858)
Balance ending of the period/year	<u>1,055,250</u>	<u>1,055,250</u>

11- Due from reinsurers - net

A. This item consists of :

	30-Jun-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. receivable	648,268	592,865
foreign reinsurers co. receivable	413,134	588,518
Total	<u>1,061,402</u>	<u>1,181,383</u>
Deduct : Provision for reinsurers debts impairment (Note 11 B)	(506,538)	(506,538)
Net	<u>554,864</u>	<u>674,845</u>

B. Transaction of provision for reinsurers debts impairment during the period represents of :

	30-Jun-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	506,538	897,525
Disposals for the period/year (returned to income statement)	-	(390,987)
Balance ending of the period/year	<u>506,538</u>	<u>506,538</u>

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12- Income tax

A. Income tax provision

- Transaction of income tax provision during the period represents of :

30-Jun-2018	31-Dec-2017
JD	JD
(Reviewed)	(Audited)
-	-
-	-
-	-
-	-

Balance beginning of the period/year

Income tax for the period / year *

Paid tax during the period / year

Balance ending of the period/year

* According to taxable accumulated loss from previos years , the financial statements are not containing tax calculated for this period , upon tax consultant opinion there is no need to take any tax provisions for this period .

- Income tax for the **mother company** were setteled up to the year **2014** , the year **2015** was reviewed by tax department and issued its first dication and the company filled its objection on it. The income tax return for the years **2016** & **2017** have been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this financial statements.

- The income tax for subsidiary (**The Dead Sea Co. For Vehicles Surveying & Paint**) for the years **2014, 2015** have been accepted & The income tax return for the years **2016** & **2017** have been filed with the Income Tax Department but the Department has not reviewed the

- The income tax return for subsidiary (**Reyaza realestate Investments Co.**) was setteled up to the year **2016**. The income tax return for the year **2017** has been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this financial statements.

- The income tax return for subsidiary (**The Dead Sea Co. For Vehicules' Parts Trading**) was setteled up to the year **2016**. The income tax return for the year **2017** has been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this financial statements.

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12- Follow - Income tax

B. Deferred tax assets

This item consists of :

		(The Dead Sea Co. For Vehicles' Parts T	
		30-Jun-2018	31-Dec-2017
Included accounts	Balance at beginning of the period	Balance at ending of the period	Deferred tax assets
	JD	JD	JD
Provision for doubtful debts	2,593,174	2,593,174	(Reviewed) 648,294 (Audited) 648,294
End of service indemnity provision	25,663	25,663	12,832 12,832
IBNER at end of the period	1,160,000	1,160,000	580,000 580,000
Accumulated loss to tax department for the years 2011,2012,2015	1,733,268	1,733,268	433,317 433,317
Total	5,512,105	5,512,105	1,674,443 1,674,443

- Transaction of deferred tax assets during the period represents of :

30-Jun-2018	31-Dec-2017
JD	JD
(Reviewed) 1,674,443	(Audited) 1,674,443
-	-
-	-
1,674,443	1,674,443

Balance beginning of the period/year

Additions for the period / year

Disposals during the period / year

Balance ending of the period/year

- According to tax consultant opinion the company can benefit from this deferred tax assets at future.

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13- Accounts payable

This item consists of :

	<u>30-Jun-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Accidents payable	20,189	17,975
Agents payable	18,125	32,206
Policies campaign payable	94,293	133,352
Garages payable	25,981	24,776
Employees payable	-	6,274
Total	<u><u>158,588</u></u>	<u><u>214,583</u></u>

14- Due to reinsurers

A. This item consists of :

	<u>30-Jun-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. payable	589,583	417,136
Foreign reinsurers co. payable	245,487	191,907
Total	<u><u>835,070</u></u>	<u><u>609,043</u></u>

15- Owners equity

A. Fair value reserve

This item consists of :

	<u>30-Jun-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	150,000	150,000
Net changes in fair value during the period / year	-	-
Balance ending of the period/year	<u><u>150,000</u></u>	<u><u>150,000</u></u>

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B. Accumulated (loss)

This item consists of :

	<u>30-Jun-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	(1,347,649)	(6,177,956)
(Loss) for the year	-	(169,693)
Decrease capital	-	5,000,000
Amortization reserves in accumulated loss *	766,312	-
Total	<u><u>(581,337)</u></u>	<u><u>(1,347,649)</u></u>

* The extraordinary general meeting of the parent company held on **June 28, 2018**, approved the amortizing of the balance of the statutory reserve amounted of JD 743,751 and the balance of the voluntary reserve amounted of JD 22,561 in accumulated losses amounting to JD 766,312. The procedures are not completed at the Ministry of Industry and Trade until the date of the current financial statements.

16- Gains from financial assets & investments

This item consists of :

	<u>30-Jun-2018</u>	<u>30-Jun-2017</u>
	JD	JD
Unrealized gains from financial assets at fair value through income statement	441	42,592
Total	<u>441</u>	<u>42,592</u>
Amount transfer to income statement	<u><u>441</u></u>	<u><u>42,592</u></u>

17- Basic and diluted earning per share

This item consists of :

	<u>30-Jun-2018</u>	<u>30-Jun-2017</u>
	JD	JD
Profit for the period after tax (JD)	308,110	80,256
Weighted average shares (share)	5,000,000	5,000,000
Basic and diluted earning per share	<u><u>0.062</u></u>	<u><u>0.016</u></u>

The diluted earning per share is equal to the basic earning per share .

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18- Related parties transactions

Realated parties include key shareholders , key management personnel , key managers , associates and subsidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

Wages , allowances and other benefits for senior excutive managements :

	<u>30-Jun-2018</u>	<u>30-Jun-2017</u>
	JD	JD
Wages & other benefits	<u>140,368</u>	<u>190,656</u>

19- Legal situation

There are issues facing company from others subject of accidents amounted of JD 502,352 , they appear in outstanding claims provision , upon Legal consultant opinion the outstanding claims balance is enough, also there are issues facing others amounted of JD 874,627 subject of recoveries, its appear within recoveries, upon legal consultant opinion the amounts allocated in records for outstanding recoveries which issues arise of it is enough within legal and technical standards and there is a chance to recover thats amounts.

20- Contingent liabilities

There are no contingent liabilities as of financial position date .

21- Subsequent events

There are no subsequent events may have material affects to financial position .

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22- Future plan

- The possibility of increasing capital in order to improve the solvency margin of the company.
- Collection the bulk of the outstanding recoveries suspended by all the necessary legal methods.
- Take all necessary measures to improve the collection of receivables.
- Continue the policy of reservation in accepting the various insurance risks.

23- Comparative figures

Certain comparative figures were reclassified to conform with the presentation of the current period , according to the instructions of Insurance Authority no. (2) for the year 2003 and to the decision of Insurance Authority no. (8) for the year 2007 and the decision no. (1) for the year 2011 , the reclassification didn't result any effect on company's business results and its owners' equity for the year 2016 .